

## INFORMATION REPORT INFORMATION

## CENTRAL INTELLIGENCE AGENCY

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SUBJECT	North Korean Reconstruction Plan	DATE DISTR.	24 June 1955 25X1
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SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

Losses Sustained by North Korea during Korean War.

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1. During the Korean War 22,000 sorties were flown over North Korea; 42,000 tons of bombs and 220,000 napalm bombs were dropped, resulting in the following losses:

8,000 factories<sup>1</sup>  
 5,000 schools  
 1,000 hospitals  
 263 hotels  
 1,600,000 houses  
 1,700,000 human lives

Ninety per cent of all industrial centers were destroyed.<sup>2</sup>

Industrial Rehabilitation

2. To rehabilitate industries the following three-stage plan has been devised through a mutual assistance agreement with Communist China and the Soviet Union:<sup>3</sup>

First Phase Preparation for factory rehabilitation

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Second Phase Period of active rehabilitation during which all reconstruction projects in Ch'ongjin, Tokch'on (N 39-45, E 126-18) (BV6904), Songjin (N 40-40, E 129-12) (BA1701) will be completed.<sup>4</sup>

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Third Phase

All factories in Yongamp'o (N 39-55, E 124-23) (XE1521), Sunch'on (N 39-25, E 125-56) (YD5257), Haeju (N 38-02, E 125-43) (YC3813), Mump'yong (N 38-07, E 125-24) (YC1021) and Hungnam

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Machine Industry

3. Machine plants at Haeju were moved to Kich'on (N 38-19, E 126-21) (BU7255) where there is an automobile factory which will be expanded to produce 6,000 vehicles per year.

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Electricity

4. all existing hydroelectric plants will be restored and will produce from 1,400,000 to 1,800,000 kilowatts per year. 80 per cent of the Sup'ung Dam (N 40-27, E 124-57) (XE664789) will have been restored to normal capacity through the aid of Communist China and the Soviet technicians.

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Munitions Factories

5. 80 munitions factories in P'yongyang and 40 in Chinsamp'o and all other factories producing heavy and light weapons, artillery and small arms ammunition will be restored.

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Mining

6. all mines will be rehabilitated.<sup>7</sup>

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Cement Factories

7. The five cement factories at Haeju, Taedong-ni (CP5657), Changnae (N 37-56, E 127-02) (CT2700) and Sungho-ri (N 38-59, E 125-58) (YD5719) will produce from 200,000 to 300,000 tons of cement in 1955.

Textile Industry

8. The P'yongyang and Susong (N 41-49, E 129-44) (XB6129) textile industries are being rapidly rehabilitated and will be completed to produce 600,000 to 700,000 kilometers of textiles per year.

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Pulp Mill

9. The Sinuiju (N 40-06, E 124-23) (XE1839) pulp mill will be rehabilitated to produce 40,000 tons of leather.<sup>10</sup>

Conclusion to Briefing Paper

10. a. If progress can be made at the rapid rate accomplished thus far, the North Korean plan will undoubtedly be realized, provided assistance is received from abroad. North Korea suffered a 420 billion won loss during the war and in the three-year reconstruction plan

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Comment.

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after the outbreak of hostilities only three of the thirty-two coal mines in North Korea remained in operation due to a sharp decrease in the demand for coal and an insufficient allotment of funds from the government for coal mining.

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Comment.

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The Masju Cement Plant is one of the "backward" factories, producing only 50 per cent of its quarterly quota.

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Comment.

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the North Korean press announced that the P'yongyang Textile Mill had begun operations.

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the P'yongyang radio announced that by 1956 the P'yongyang Textile Mill will have 60,000 spindles with an output of 13,000 tons of yarn annually, 2,250 looms producing more than 61,000,000 meters of cloth and a silk mill with 10,000 spindles and 1,000 looms producing 9.5 million meters of silk material annually.

10.

Comment.

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Synthetic leather which may have a base of ground leather with some admixture of wood pulp may be referred to here. Or, the pulp mill may have been so badly demolished that a new factory must be built.

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